

# **OCS 5-Year Plan 2007-2012**

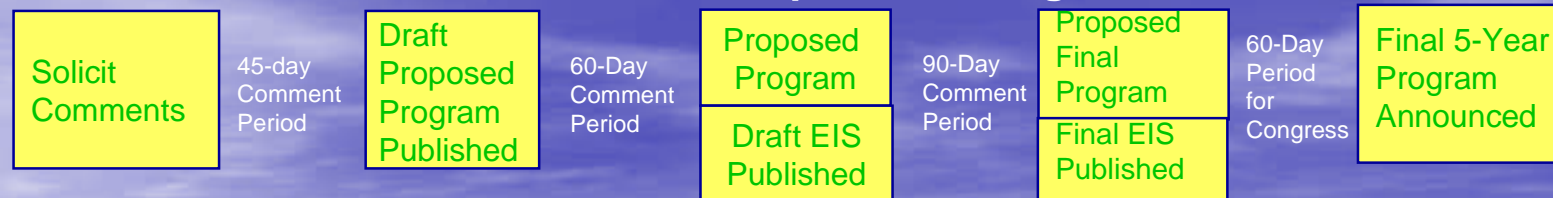
**Renee Orr--Chief, Leasing Division  
John Goll—Regional Director, Alaska OCS  
Lars Herbst—Regional Director,  
Gulf of Mexico/Atlantic OCS**

**March 5, 2008**

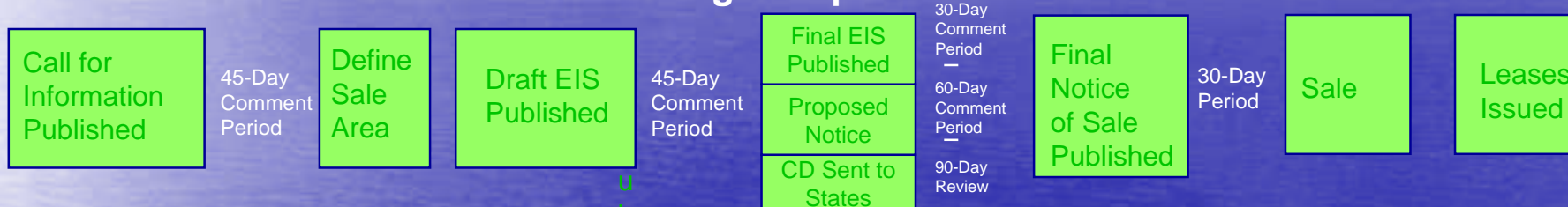
# The OCS Leasing, Exploration, and Development Process

## Pre-lease

## Develop 5-Year Program

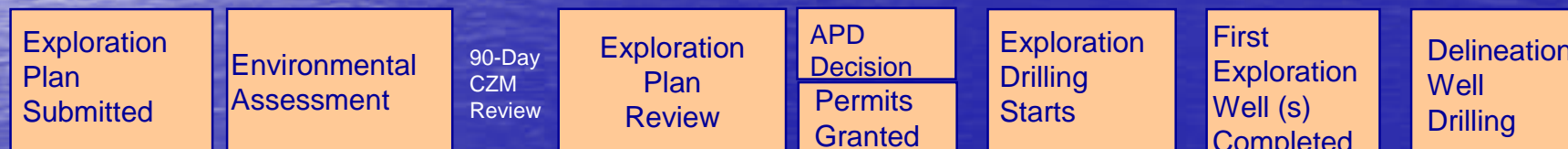


## Planning for Specific Sale

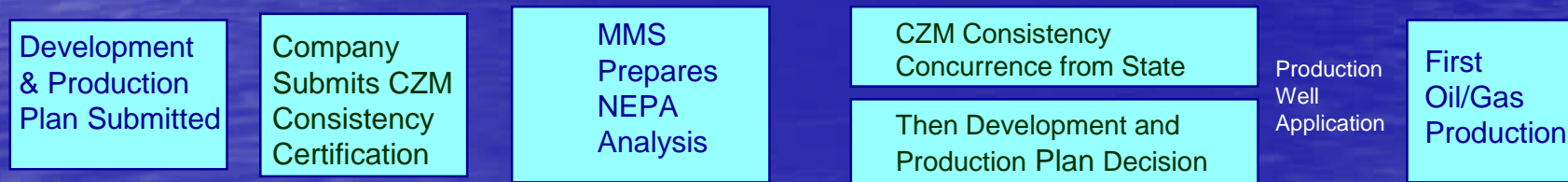


## Post Lease

## Exploration Plan Approval



## Development and Production Plan Approval



Abbreviations: ADP, Application for Permit to Drill; CD, Consistency Determination; CZM, Coastal Zone Management; EIS, Environmental Impact Statement; NEPA, National Environmental Policy Act

# Steps from Start to Finish

- Request for Comments/Intent to Prepare an EIS published on August 24, 2005, with 45-day comment period.
- Draft Proposed Program published on February 10, 2006, with 60-day comment.
- Proposed Program and Draft EIS published on August 25, 2006, with 90-day comment period.
- Proposed Final Program and Final EIS announced on April 30, 2007, and sent to Congress and President for 60 days.
- Secretary approved new program on June 29, 2007, with July 1, 2007 effective date.



# **Comments Received from all parties**

<b>Request for Information/Notice of Intent ...</b>	<b>11,500</b>
<b>Draft Proposed Program.....</b>	<b>39,500</b>
<b>Proposed Program.....</b>	<b>73,700</b>
<b>Total.....</b>	<b>124,900</b>

**Citizens sent over 99% of the comments of which  
about 75% in favor of some level of access**

# Status of OCS Areas

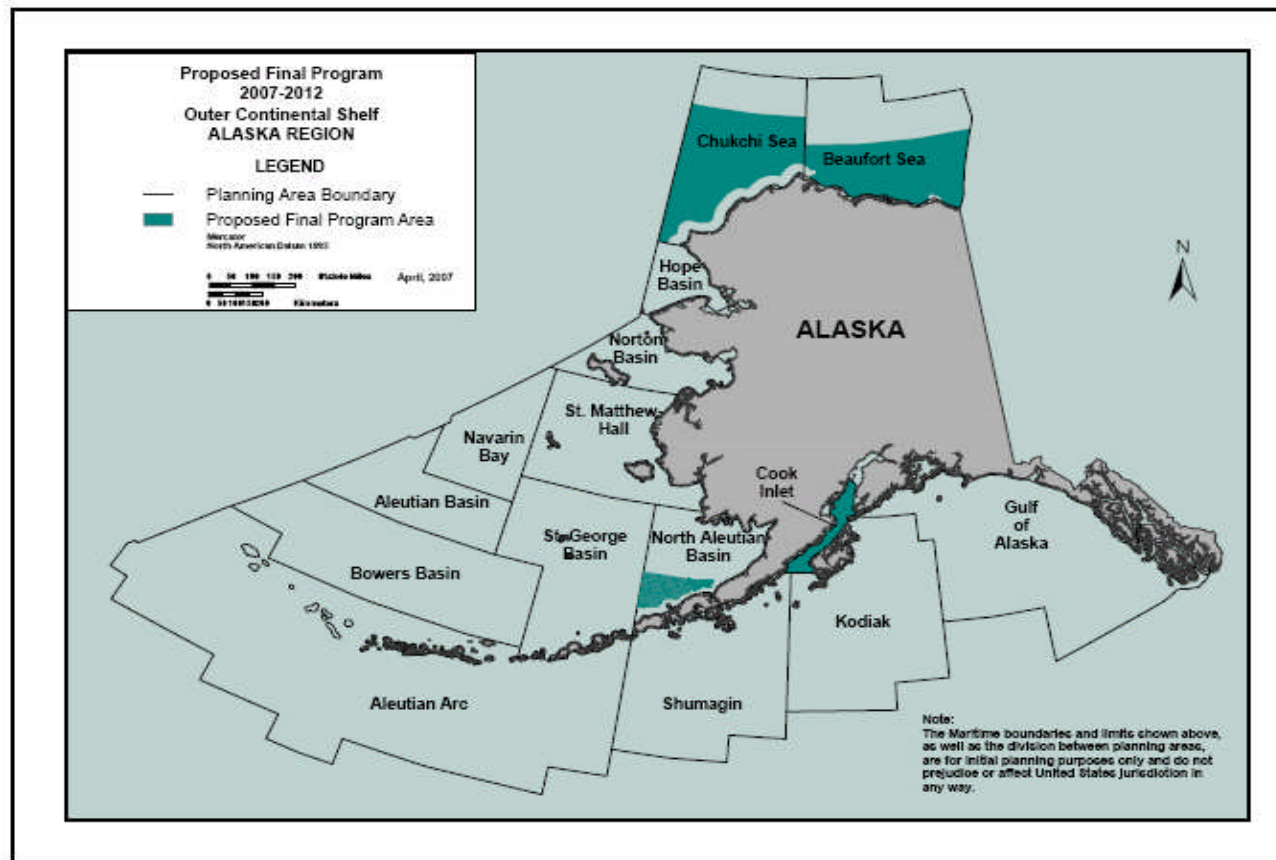


# **Alaska Program Areas**

- **Beaufort and Chukchi Seas**
  - multiple sales in both areas
  - 25-mile buffer in Chukchi and 2 whaling deferral areas in Beaufort
- **North Aleutian Basin**
  - Sale 92 Area only
  - Presidential withdrawal modified January 2007
- **Cook Inlet – special interest sale(s)**
  - Sale will be held only if sufficient interest after a call for nominations, and after consideration of comments and analyses



# Alaska Program Areas

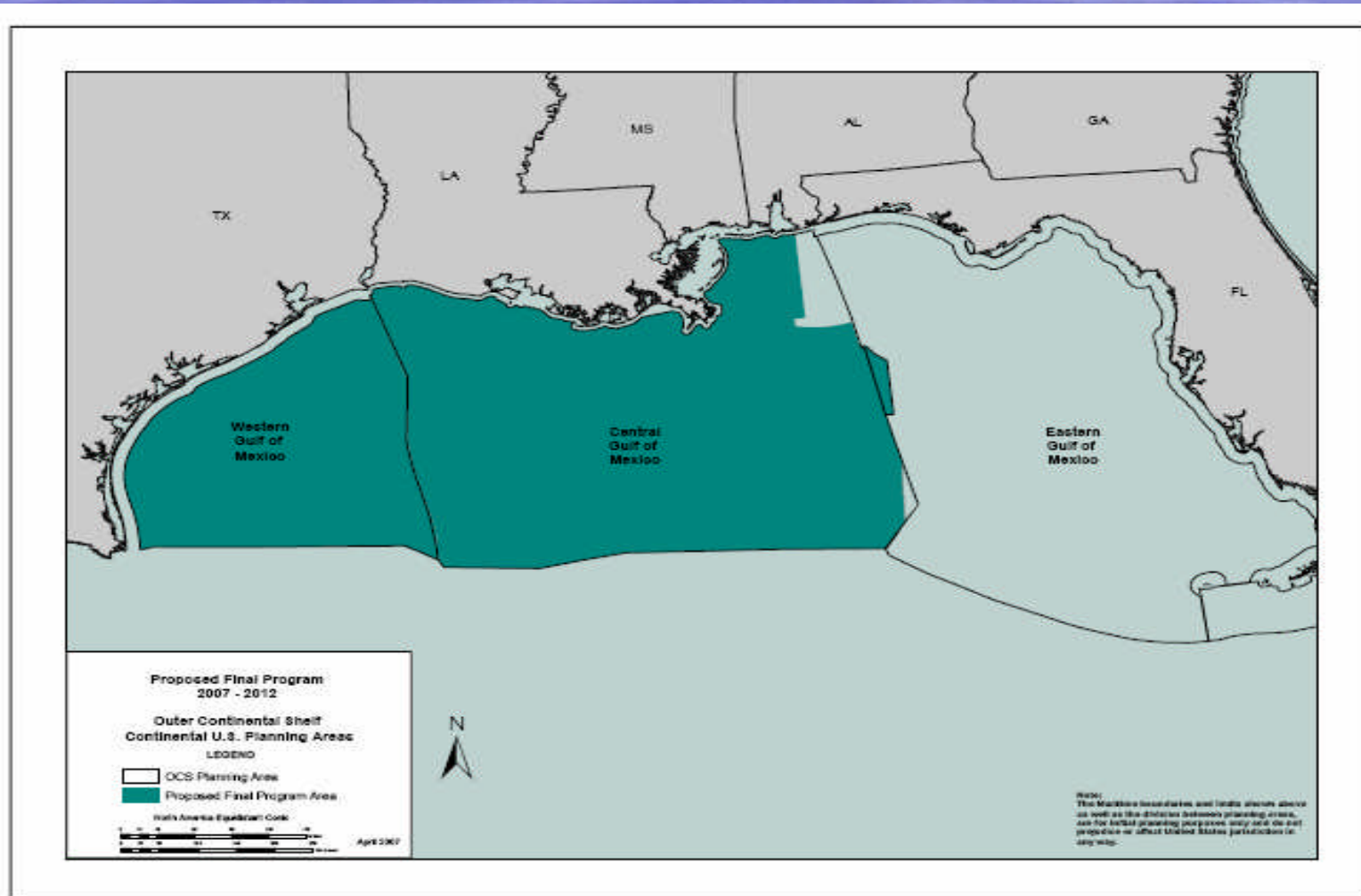


# Gulf of Mexico Program Areas

- Central and Western Gulf of Mexico – annual areawide sales
- Additional 2007 Sale in all available areas of Central Gulf (March 2007 sale cancelled)
- 181 South Area of Central Gulf: Presidential withdrawal modified January 2007 and congressional moratorium lifted December 2006. After NEPA review, scheduled for 2009 sale



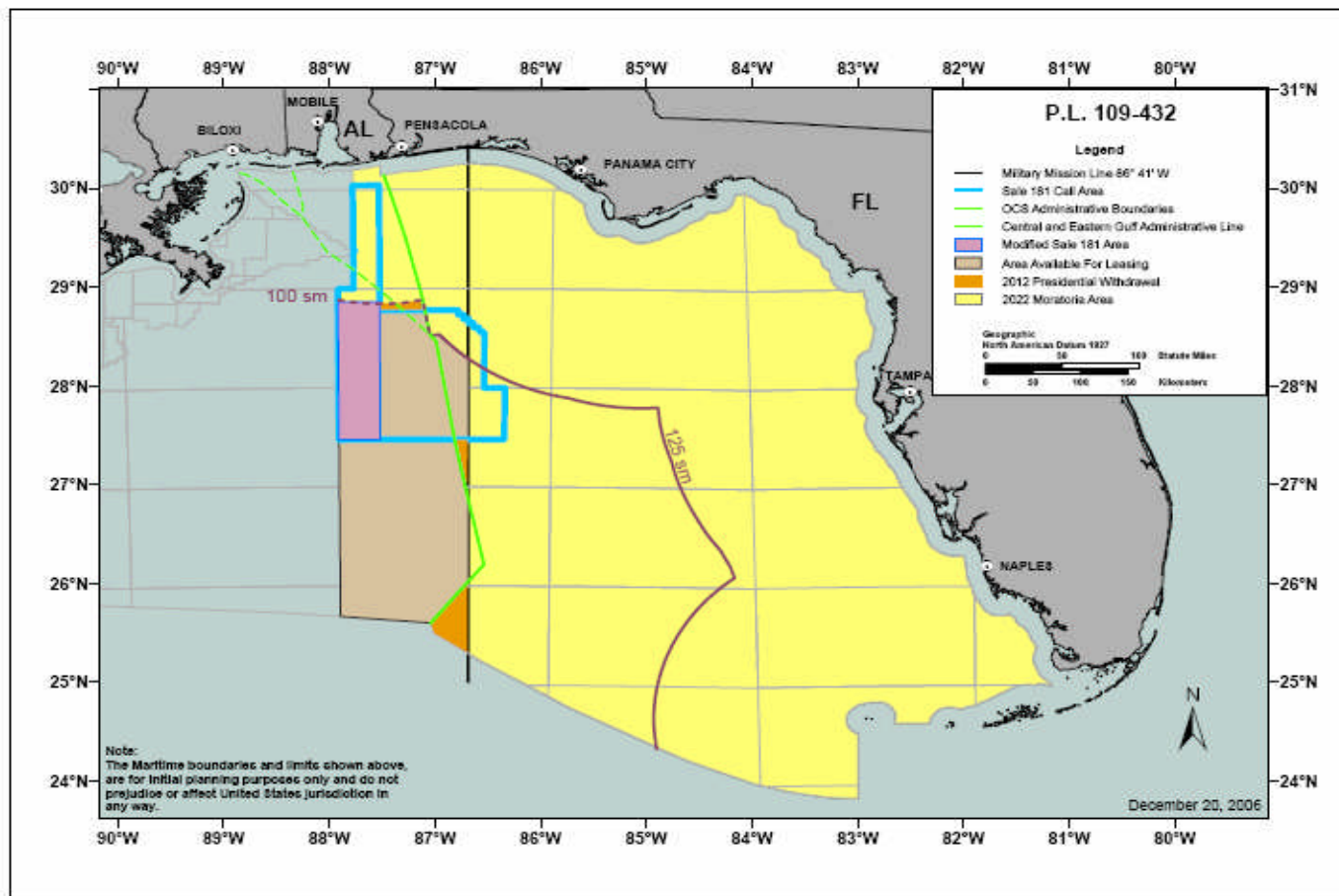
# Gulf of Mexico Program Areas



# Eastern Gulf of Mexico

- Gulf of Mexico Energy Security Act of 2006 mandated sale in portion of 181 in reconfigured Eastern GOM—more than 125 miles from Florida and west of military mission line.
- Sale scheduled for March 2008 (not subject to section 18)
- Established moratorium in Eastern and portion of Central GOM to 2022.

# GOMESA

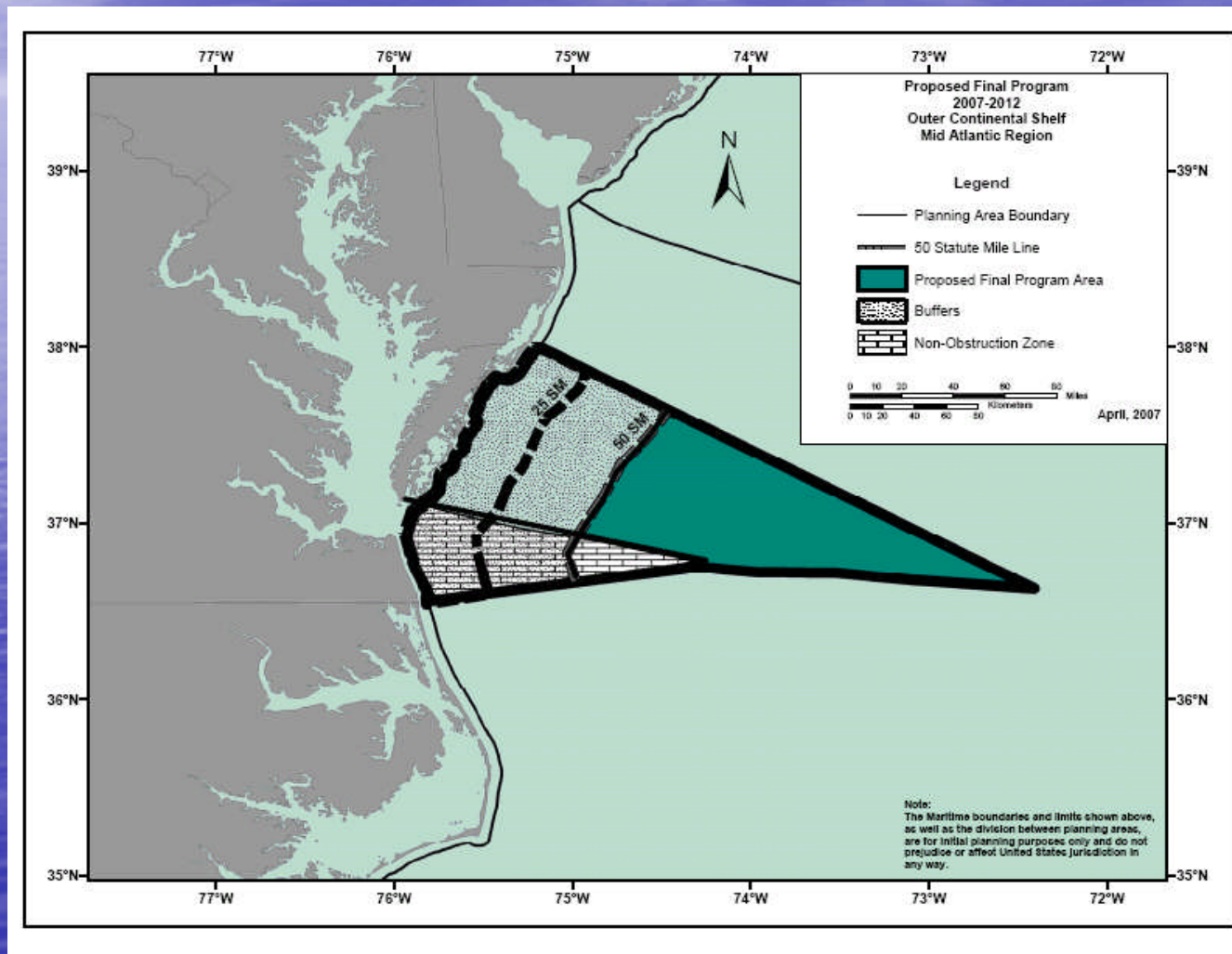




# **Atlantic Program Area**

- **Mid-Atlantic**
  - Area off Virginia with 50-mile buffer and no-obstruction zone off Chesapeake Bay
  - Presidential withdrawal remains in place; area currently under annual Congressional moratorium therefore cannot start sale process
  - Will coordinate with DOD about military issues and concerns
- **North and South Atlantic, Straits of Florida**
  - No sales

# Atlantic Program Area



# OCS Program Sale Schedule 2007-2012

**\*Mandated by GOMESAct Not  
subject to OCSLA section 18**

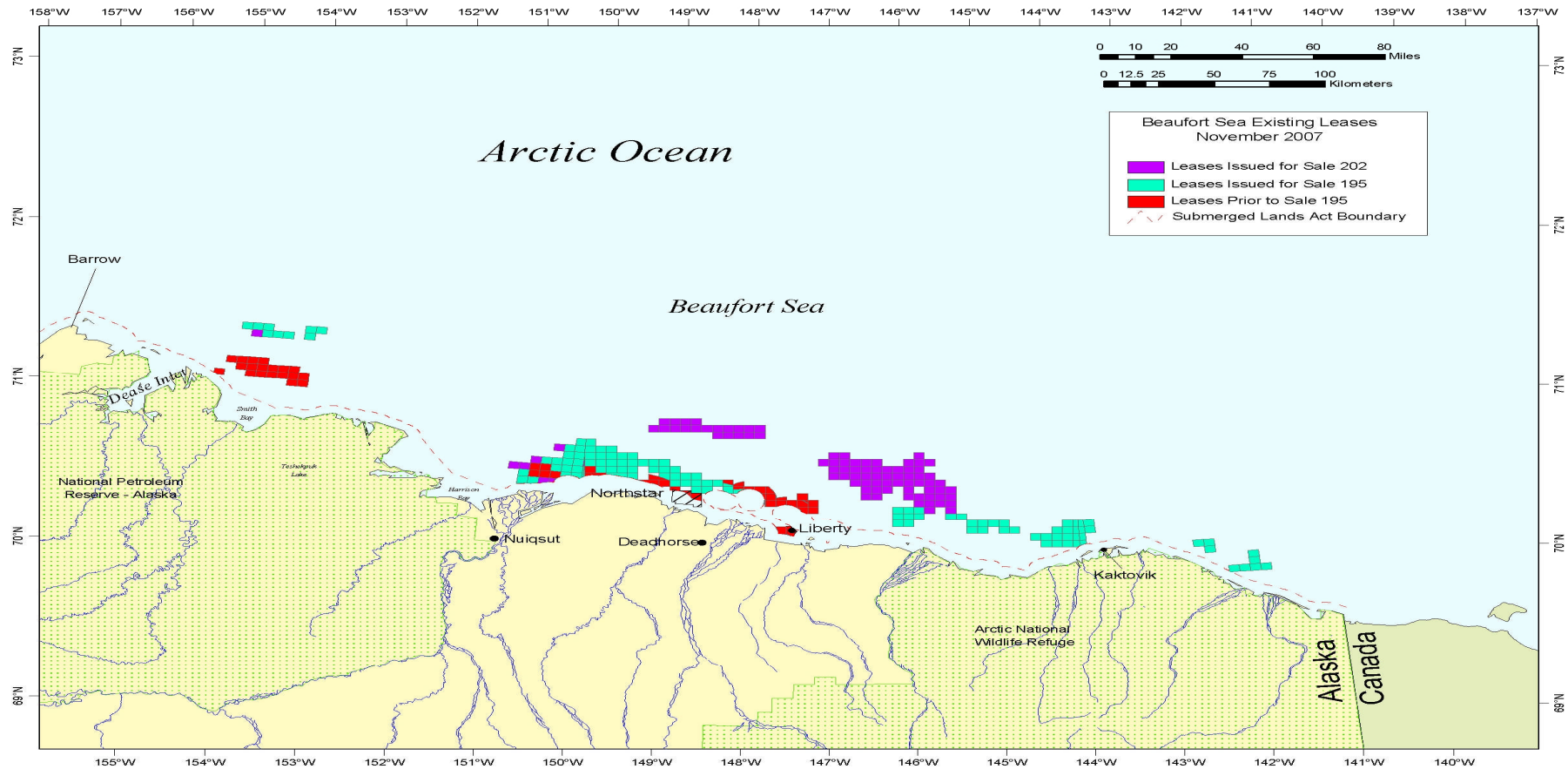
**\*\*No sale unless Presidential  
withdrawal modified and  
Congressional moratorium  
discontinued**

2007	Western GOM	204
	Central GOM	205
2008	Chukchi Sea	193
	Central GOM	206
	Eastern GOM*	224
	Western GOM	207
2009	Central GOM	208
	Beaufort Sea	209
	Western GOM	210
	Cook Inlet	211
	Chukchi Sea	212
2010	Central GOM	213
	Western GOM	215
	Central GOM	216
2011	Beaufort Sea	217
	North Aleutian Basin	214
	Western GOM	218
	Cook Inlet	219
	Mid-Atlantic**	220
	Chukchi Sea	221
2012	Central GOM	222





# **Alaska OCS Region— Facts and Figures**



## Beaufort Sea Sales

Sale 186

8/2003

## High Bids

\$ 8.9 million

## leases

34

Sale 195

3/2005

\$46.7 million

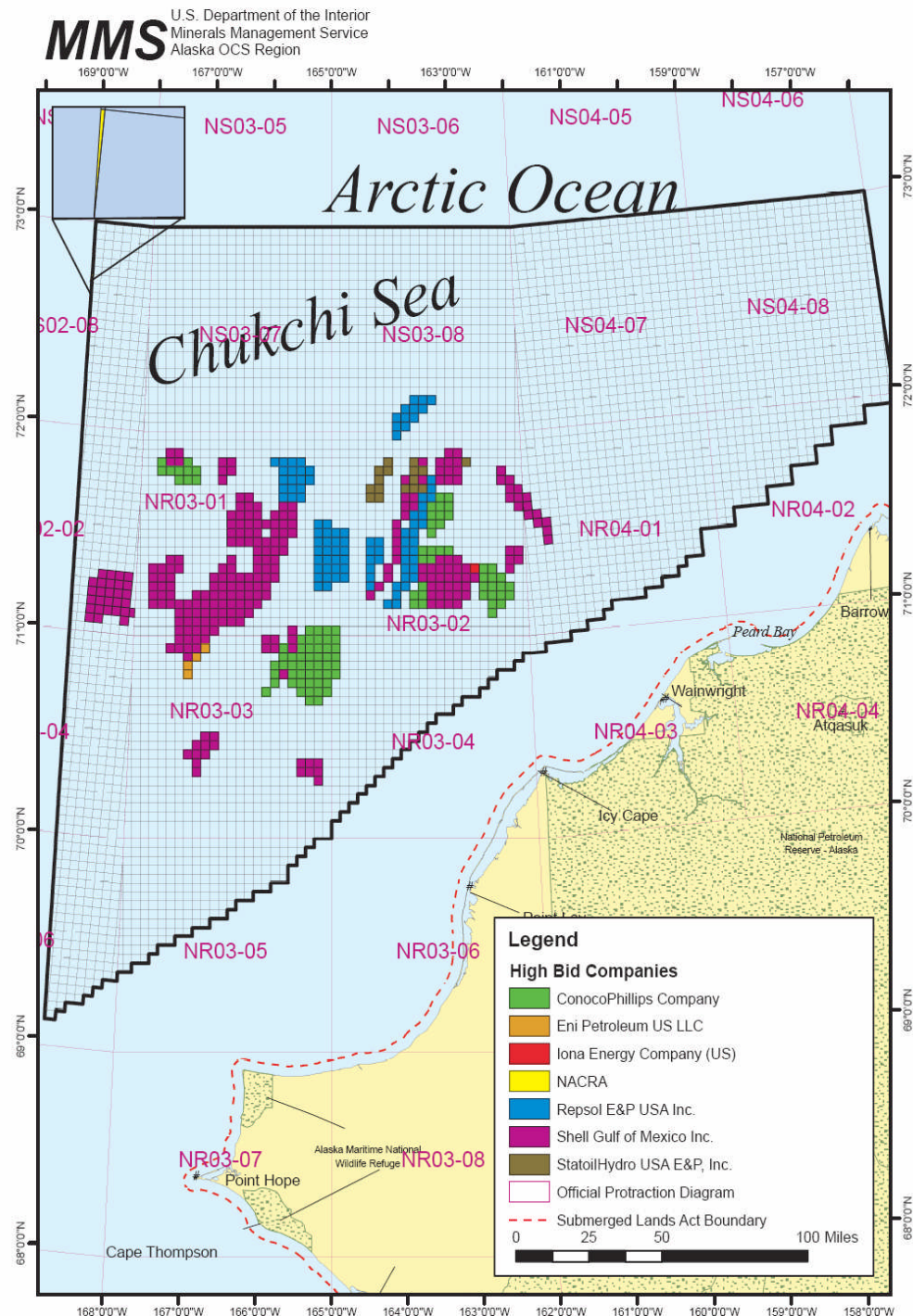
117

Sale 202

4/2007

\$42.3 million

90



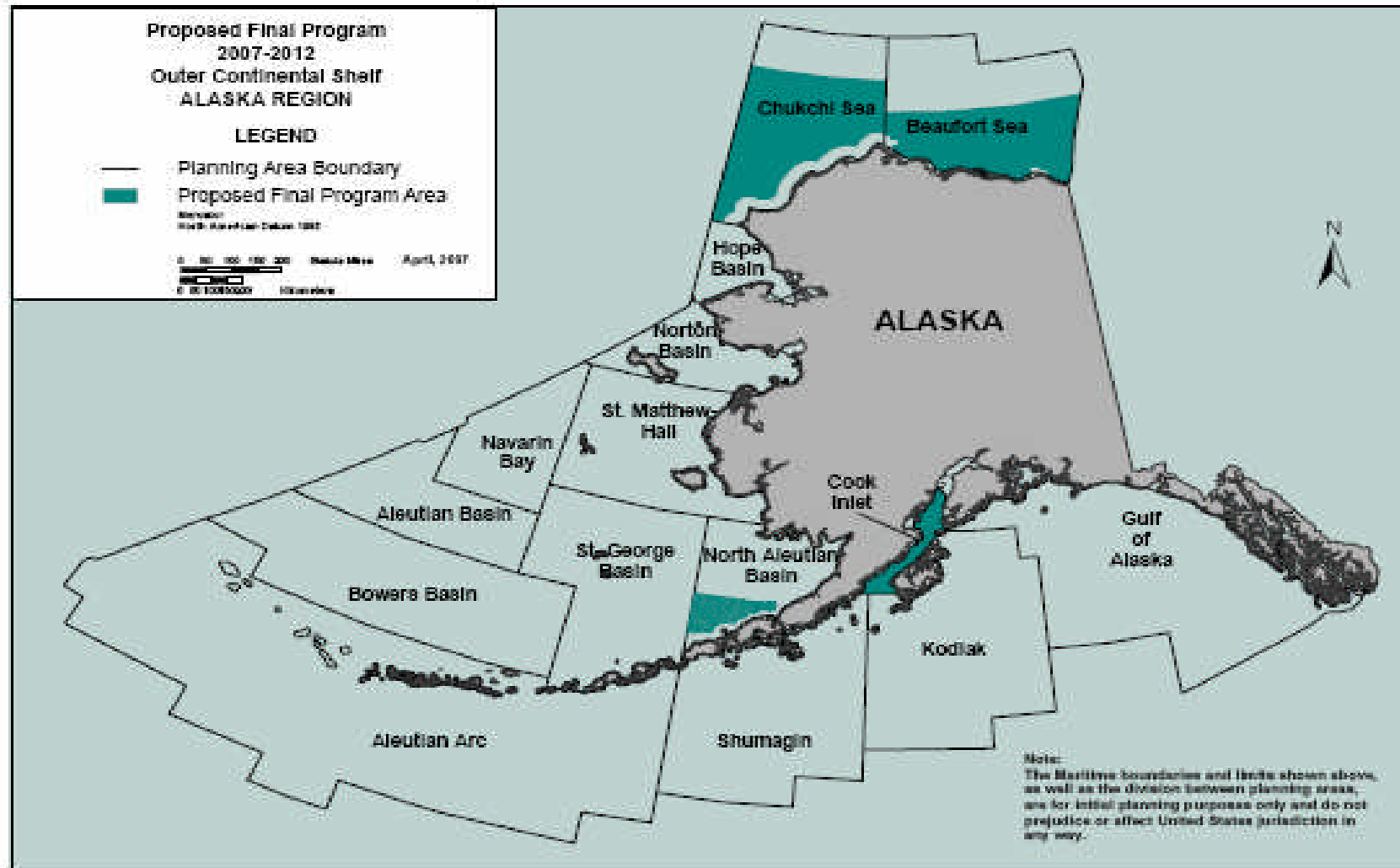
# Chukchi Sea Sale 193

February 6, 2008

- Bids: 667
- Tracts: 488
- Total Bids: \$3.4 billion
- High Bids: \$2.7 billion



# Alaska 2007-12 OCS Program



# Alaska Sales 2007-2012 Program

## Arctic

### Chukchi Sea

- Sale 193 (2008)
- Sale 212 (2010)
- Sale 221 (2012)

### Beaufort Sea

- Sale 209 (2009)
- Sale 217 (2011)

## Bering Sea /Gulf of Alaska

### North Aleutian Basin

- Sale 214 (2011)

### Cook Inlet (if interest)

- Sale 211 (2009)
- Sale 219 (2011)

# Alaska Oil and Gas Estimates

Undiscovered Technically Recoverable

## OCS Planning Area

## Oil and Gas Estimates

	<u>95%</u>	<u>Mean</u>	<u>5%</u>
Beaufort Sea			
Oil (bbo)	0.4	8.2	23.2
Gas (tcf)	0.7	27.7	72.2
Chukchi Sea			
Oil (bbo)	2.3	15.4	40.1
Gas (tcf)	10.3	76.8	09.5
North Aleutian Basin			
Oil (bbo)	0.02	0.75	2.5
Gas (tcf)	0.4	8.6	22.3
Cook Inlet			
Oil (bbo)	0.06	1.0	2.9
Gas (tcf)	0.03	1.2	3.5

MMS 2006 National Assessment



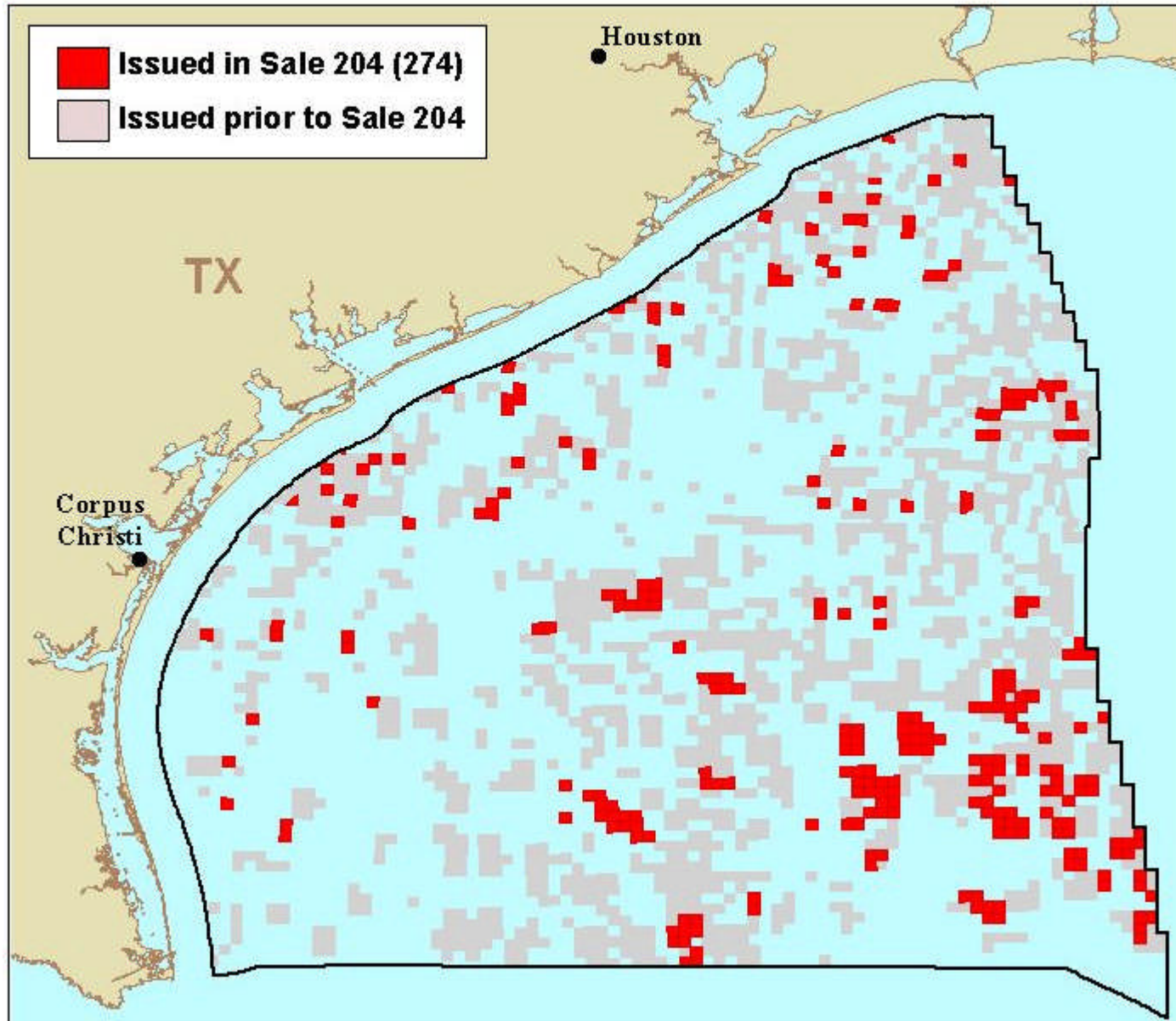


# **Gulf of Mexico OCS Region-- Facts and Figures**

# Sale 204 Results

<b>Total Tracts Receiving Bid</b>	<b>282</b>
<b>Total Number of Bids Received</b>	<b>358</b>
<b>Total Companies Participating in Bids</b>	<b>47</b>
<b>Sum of High Bids</b>	<b>\$289,953,066</b>
<b>Sum of All Bids</b>	<b>\$369,496,840</b>

# Western Planning Area NEW LEASES ISSUED IN SALE 204



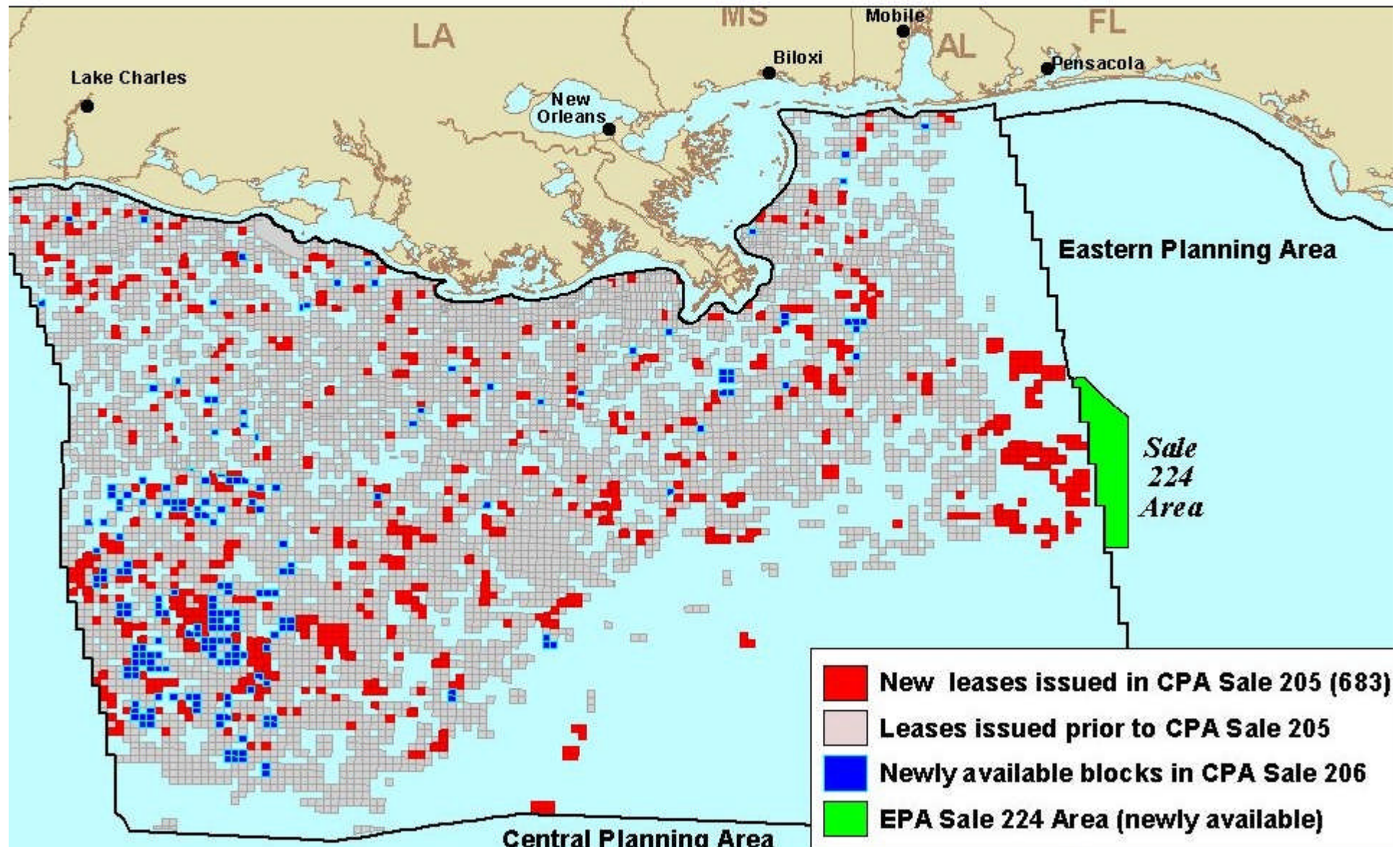


# **Sale 205 Results**

<b>Total Tracts Receiving Bid</b>	<b>723</b>
<b>Total Number of Bids Received</b>	<b>1,428</b>
<b>Total Companies Participating in Bids</b>	<b>84</b>
<b>Sum of High Bids</b>	<b>\$2,904,321,011</b>
<b>Sum of All Bids</b>	<b>\$5,245,583,944</b>

# CENTRAL AND EASTERN PLANNING AREAS

## New Leases Issued and Newly Available Blocks



# Remaining Sales Under Current 5-Year Program

Sale Location and Number	Scheduled Sale Year
Central GOM Sale 206	2008
Eastern GOM Sale 224	2008
Western GOM Sale 207	2008
Central GOM Sale 208	2009
Western GOM Sale 210	2009
Central GOM Sale 213	2010
Western GOM Sale 215	2010
Central GOM Sale 216	2011
Western GOM Sale 218	2011
Mid-Atlantic Sale 220*	2011
Central GOM Sale 222	2012

\*dependent on removal of Presidential withdrawal and Congressional Moratorium discontinued

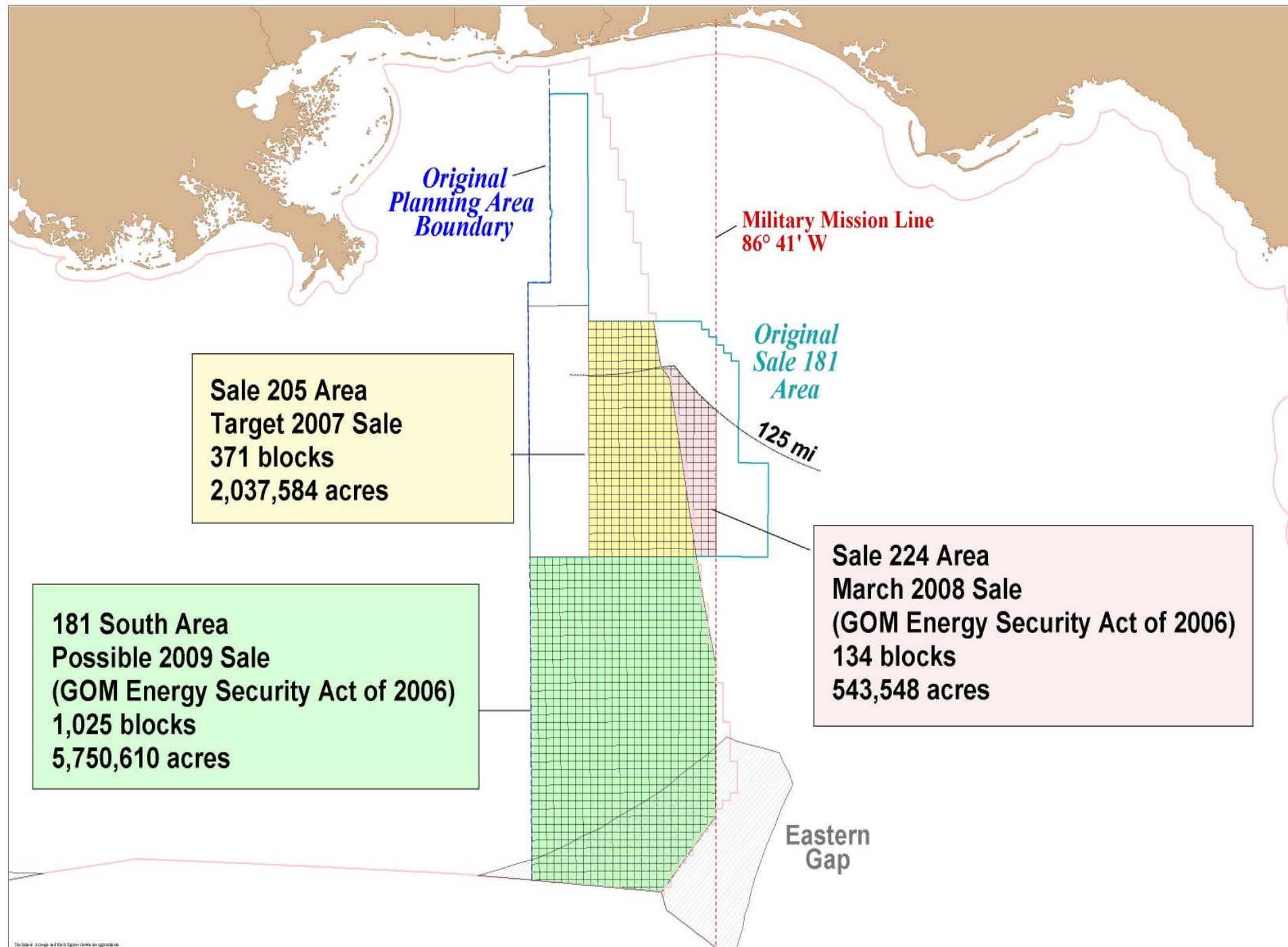


# **Proposed Central Planning Area-Sale 206**

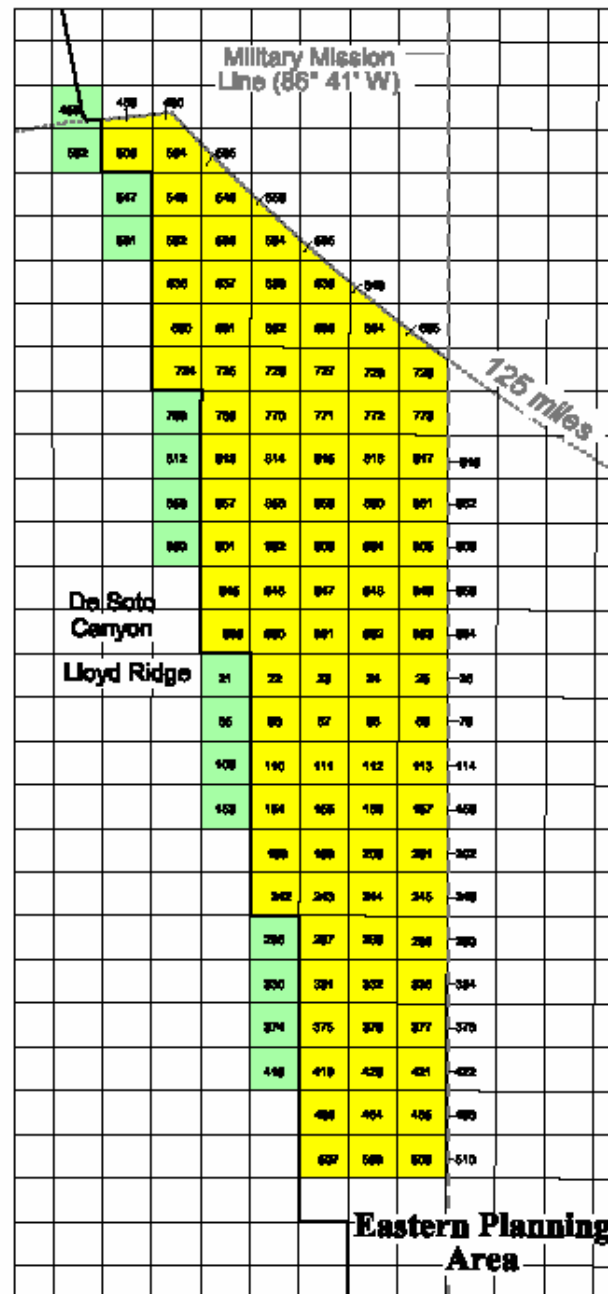
- Includes blocks that expired, terminated or were relinquished since February 2007
- Sale is planned for March 19, 2008 at LA Superdome.
- Approximately 5000 blocks
- Royalty Relief with threshold of \$35.75 per barrel and \$4.47 per MCF
- Royalty Rate = 18.75%

# **Proposed Eastern Planning Area- Sale 224**

- Sale is mandated by the Gulf of Mexico Energy Security Act of 2006 (GOMESA).
- EGOM Sale 224 will be held in conjunction with Sale 206 on March 19, 2008 in LA Superdome.
- Only sale for this area in 5 year program
- 118 whole or partial blocks
- Excluded from Deepwater Royalty Relief
- Royalty Rate = 18.75%







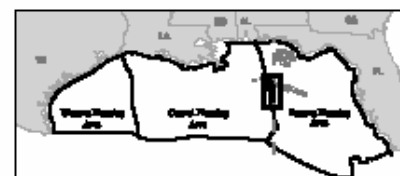
**MMS** U.S. Department of the Interior  
Mineral Management Service  
Gulf of Mexico OCS Region

## Revised Sale Area Map for Eastern GOM Lease Sale 224

- Blocks available  
- 118 blocks  
- 547,230 acres
- CGOM Block  
(portions were formerly in  
EGOM 224 area)
- - - Military Mission Line  
(86° 41' W)
- Planning Area Boundary
- ..... 125 Mile Buffer from  
Florida coast
- Protraction Area Boundary

The map has changed slightly since the Sale 224 Call/NOI map was issued, due to the decision that the boundary between the Eastern and Central Planning Areas would follow block boundaries as opposed to splitting blocks.

Unused blocks within the Sale 224 area currently number 118 blocks and cover 547,230 acres. They are located from 125 miles to 203 (net) miles offshore Florida and west of the Military Mission Line (86° 41' West longitude) in water depths of 810 meters (DC504) to 3113 (LL377) meters.



# GOM Oil and Gas Estimates

## Undiscovered Technically Recoverable

### OCS Planning Area

### Oil and Gas Estimates

	<u>95%</u>	<u>Mean</u>	<u>5%</u>
<b>Western GOM</b>			
Oil (Bbbl)	9.80	10.70	11.80
Gas (Tcf)	62.65	66.25	70.17
<b>Central GOM</b>			
Oil (Bbbl)	28.41	30.32	32.77
Gas (Tcf)	134.49	144.77	156.56
<b>Eastern GOM</b>			
Oil (Bbbl)	2.76	3.88	5.51
Gas (Tcf)	18.06	21.51	25.98
<b>Straits of Florida</b>			
Oil (Bbbl)	0.01	0.02	0.03
Gas (Tcf)	0.01	0.02	0.03

MMS 2006 National Assessment

# Atlantic Oil and Gas Estimates

## Undiscovered Technically Recoverable

### OCS Planning Area Oil and Gas Estimates

	<u>95%</u>	<u>Mean</u>	<u>5%</u>
<b>North Atlantic</b>			
Oil (Bbbl)	0.57	1.91	3.80
Gas (Tcf)	7.18	17.99	32.17
<b>Middle Atlantic</b>			
Oil (Bbbl)	0.43	1.50	2.96
Gas (Tcf)	5.44	15.13	27.53
<b>South Atlantic</b>			
Oil (Bbbl)	0.13	0.41	0.81
Gas (Tcf)	1.67	3.86	6.76

MMS 2006 National Assessment



# The Future

- Planning for 2012-2017 program to start in late 2008
- Existing Presidential withdrawal to 6/2012
- EGOM moratoria to 2022
- Interest in legislatures of various States that do not currently have OCS activity
- Global/National energy scenario in years to come